THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (e) The DEPB Scheme was introduced in April, 1997 with a view to provide neutralization of the incidence of Customs duty on the import content of the export product. Issues regarding disallowance of profit on sale of DEPB for computation of deduction u/s 80HHC of the Income Tax Act and the non-acceptance of the concept of "Negative Profit" was referred to the Prime Minister's Economic Advisory Council. The Economic Advisory Council has submitted its report on the first issue and latter is under examination. The recommendations of the Council and the manner of their implementation are under the consideration of CBDT. Meanwhile all the assessing officers of Income Tax Department have been directed by CBDT to keep in abeyance till 31.8.05 all assessments and recovery proceedings re-opened specifically to re-assess the claims for deduction under Section 80HHC.

Steps to revive tea industry

1747. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether in contrast to rise in world tea production elsewhere, especially Turkey and China, India's production of its traditional plantation crop has declined;

(b) whether this decline in output is attributed to drought like conditions in Southern region and the depression stalking tea industry in Assam;

(c) whether on the export front, India has been relegated to a low ranking, far behind Kenya,Sri Lanka and China; and

(d) what steps are being envisaged to revive the tea industry in India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No Sir. In fact, during April-May 2005, the production of tea was higher by about 21 million kgs as compared to the corresponding period of last financial year. As per the information available, tea production in Turkey had suffered a decline during 2004 as compared to 2003.

(b) Does not arise.

(c) India is the largest producer and also the largest consumer of black tea in the world. The availability of tea for export, after domestic consumption, is therefore not as high as in some other countries.

(d) The Government has taken various steps to help the tea industry. These include withdrawal of the additional duty of excise of Re. 1 per kg on tea in the Union Budget for 2005-06, sanctioning of two schemes *viz.* incentives for production of orthodox teas and assistance to the two tea Research & Development Institutions for financing from the special fund created with collections of additional duty of excise on tea, issue of a new Tea (Distribution and Export) Control Order, 2005 in order to maintain quality and retain the brand equity of Indian teas, implementation of a price sharing formula between the small tea growers and manufacturers of tea with effect from 1st April 2004 in order to ensure that the small tea growers get a reasonable share of the price obtained by the manufacturer for made tea, reducing import duty on items of machinery used to improve productivity and quality of tea, including value addition, to an all inclusive rate of 5% etc. A Special Tea Term Loan (STTL) to restructure certain outstanding loans was announced in 2004. A major programme for replantation and rejuvenation of the old tea bushes in the country is under consideration. Steps taken to increase exports of tea include implementation of a medium term export strategy, encouraging production of quality teas especially orthodox type of teas, participation in major trade fairs/exhibitions abroad, lending promotional support to Indian exporters in marketing Indian brands, field sampling at speciality stores and in principal markets, exchange of tea delegations, launching media campaigns to increase consumer awareness etc.

Import-export policy on food items

1748. SHRI BALAVANT *ALIAS* BAL APTE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the present import-export policy on food items;

(b) whether the Indian farmers are not getting remunerative price for their produce due to excessive import of food items; and

(c) if so, the remedial measures being taken in this regard?